

RAILCAR, Ltd.
Suite 455
1819 Peachtree Road, N.E.
Atlanta, Georgia 30309-1847

(404) 352-6799
Fax (404) 352-6798

RAILCAR

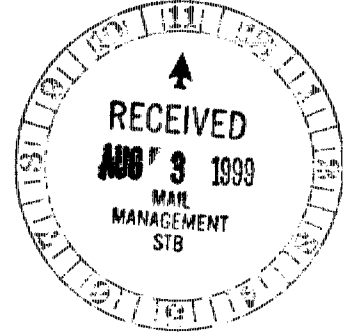
RECORDATION NO. **22309**

FILED

August 2, 1999

AUG 6 '99

11-26 AM



Secretary's Office
Surface Transportation Board
1925 K Street, NW, Suite 700
Washington, D.C. 20423-0001
Attention: Recordation Unit- Ms. Taledia Stokes

RE: Railcar, LTD. and Newport Steel Corporation

Dear Ms. Stokes:

On behalf of Railcar, LTD., I am enclosing for recording an original and two counterparts of a primary document, not previously recorded entitled: "Memorandum of Lease" dated as of April 30, 1999. Also enclosed is a check for \$26 payable to the "Surface Transportation Board."

The names and addresses of the parties is as follows:

Railcar, LTD. (LESSOR)
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847
Attn: Mr. Paul H. Kennedy

Newport Steel Corporation (LESSEE)
Ninth & Lowell Streets
P.O. Box 1670
Newport, Kentucky 41072
Attn: Mr. Dale Overmann

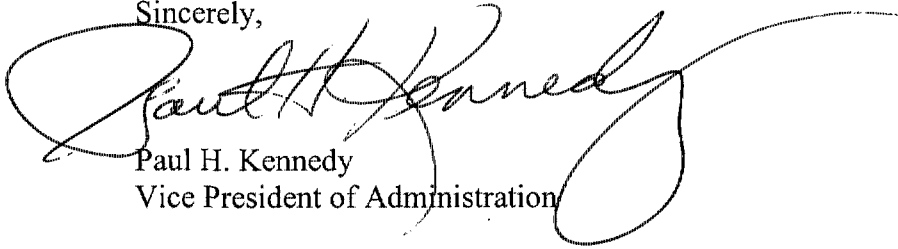
The equipment covered by the document is more fully described in the Description of Railcar schedules, which are enclosed.

A short summary of the document to appear in the index is as follows: "Lease Agreement between Railcar, LTD. 1819 Peachtree Road, N.E., Suite 455 Atlanta, Georgia 30309-1847, as Lessor, and Newport Steel Corporation, Ninth & Lowell Streets.

P.O. Box 1670, Newport, Kentucky 41072, as Lessee, dated April 30, 1999, and covering all cars described in the Description of Railcar schedules as filed with the STB.”

Once the document has been recorded, please return to me (at the address on the letterhead above) the stamped original and any extra counterparts not needed by the STB.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Paul H. Kennedy". The signature is fluid and cursive, with a large loop at the end.

Paul H. Kennedy
Vice President of Administration

MEMORANDUM OF LEASE

1. Pursuant to the Master Lease Agreement dated as of April 30, 1999, and the related Schedules No. 1, 2 & 3 dated as of April 30, 1999 (collectively, the "Lease Agreement"), between Railcar, Ltd. ("Lessor"), as Lessor, and Newport Steel Corporation ("Lessee"), as Lessee, Lessor has leased to Lessee the railroad cars identified on the exhibit attached hereto and entitled "Description of Railcars" (the "Cars"). Said lease of the Cars is referred to hereinafter as the "Lease."

2. The addresses of the parties are as follows:

Railcar, Ltd.
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847

Newport Steel Corporation
Ninth & Lowell Streets
P.O. Box 1670
Newport, Kentucky 41072

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3. The term of the Lease has already commenced and is scheduled to end on May 31, 2002 for Schedules 1 & 2 and December 31, 1999 for Schedule 3 subject to two automatic extensions for an additional one year term for Schedules 1 & 2 and one six month extension for Schedule 3.

4. The terms and provisions of the Lease are more particularly set forth in the Lease Agreement.

5. This Memorandum may be signed in counterpart or duplicate copies and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

[Execution on Next Page]

NEWPORT STEEL CORPORATION.

By: Dale R. Overmann

Name: DALE R. OVERMANN

Title: Traffic Manager

State of KENTUCKY, County of CAMPBELL

On JUNE 23, 1999, before me personally appeared DALE R. OVERMANN, to me personally known, who being by me duly sworn says that he is TRAFFIC MANAGER of NEWPORT STEEL CORPORATION, and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Douglas R. Haney
Notary Public
My commission expires:

[NOTARIAL SEAL]

DOUGLAS R. HANEY
NOTARY PUBLIC-STATE AT LARGE-KY
MY COMMISSION EXPIRES OCT. 13, 1999

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of August 2 1999.

RAILCAR, LTD.

BY: Paul H. Kennedy

Name: PAUL H. Kennedy

Title: VICE PRESIDENT ADMINISTRATION

State of Georgia, County of Fulton

On August 2ND, 1999, before me personally appeared PAUL H. Kennedy, to me personally known, who being by me duly sworn says that he is VP Administration of Railcar, Ltd., and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jay F. Hardin

Notary Public

My commission expires:

Notary Public, Coweta County, Georgia
My Commission Expires April 2, 2002

[NOTARIAL SEAL]

[Execution continued on next page; remainder of this page intentionally left blank]

DESCRIPTION OF RAILCARS

Lessee: Newport Steel Corporation

Number of Cars in Lease: 20

Description of Cars: 65-foot, 70-ton gondola railcars

Car Marks and Numbers:

SPSX 14710
SPSX 14723
SPSX 14740
SPSX 14742
SPSX 14778
SPSX 43696
SPSX 43716
SPSX 364450
SPSX 364461
SPSX 364469
SPSX 598036
SPSX 598139
SPSX 598381
SPSX 599023
SPSX 600685
SPSX 600717
SPSX 600740
SPSX 600747
SPSX 600781
SPSX 720312

DESCRIPTION OF RAILCARS

Lessee: Newport Steel Corporation

Number of Cars in Lease: 30

Description of Cars: 70-ton bulkhead flat railcars

Car Marks and Numbers:

SPSX 200001	SPSX 200016
SPSX 200002	SPSX 200017
SPSX 200003	SPSX 200018
SPSX 200004	SPSX 200019
SPSX 200005	SPSX 200020
SPSX 200006	SPSX 200021
SPSX 200007	SPSX 200022
SPSX 200008	SPSX 200023
SPSX 200009	SPSX 200024
SPSX 200010	SPSX 200025
SPSX 200011	SPSX 200026
SPSX 200012	SPSX 200027
SPSX 200013	SPSX 200028
SPSX 200014	SPSX 200029
SPSX 200015	SPSX 200030

DESCRIPTION OF RAILCARS

Lessee: Newport Steel Corporation

Number of Cars in Lease: 5

Description of Cars: 70-ton bulkhead flat railcars

Car Marks and Numbers:

SPSX 255563

SPSX 225665

SPSX 370951

SPSX 255570

SPSX 226049